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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, March 27, 2002

APPLICATION OF

CASE NO. PUA010070

CONCERT COMMUNICATIONS SALES OF VIRGINIA L.L.C.,

BRITISH TELECOMMUNICATIONS PLC

and

BT GROUP PLC

For approval of transfer of control

ORDER GRANTING APPROVAL

On December 19, 2001, Concert Communications Sales of Virginia L.L.C. (“Concert”), British Telecommunications plc (“BT”), and BT Group plc (“BT Group”) completed an application filed with the State Corporation Commission (“Commission”) on November 26, 2001, requesting approval, pursuant to § 56-88.1 of the Code of Virginia, for the transfer of control of Concert.

Concert was formed in 1999 to provide global telecommunications services to large multinational enterprises and was formed as a part of a joint venture of AT&T Corp. (“AT&T”) and BT. Concert is indirectly 50 percent owned by AT&T and indirectly 50 percent owned by BT. Concert is the holder of certificates of public convenience and necessity to provide local exchange and interexchange services in the Commonwealth of Virginia. All of Concert’s customer arrangements are individually negotiated with large businesses. Concert does not serve any residential or small business customers.

BT is one of the world's leading providers of telecommunications services. BT's principal activities include the provision of local, long distance, and international telecommunications services, mobile communications, Internet services, and information technology solutions in the United Kingdom and many countries throughout the world. BT North America Inc. ("BTNA") is an indirect, wholly owned subsidiary of BT. BT Group is an entity formed as part of BT's internal reorganization. BT, BT Group, and Concert are referenced herein as the "Applicants."

The Applicants seek approval of a transfer of control of Concert. On October 15, 2001, AT&T, AT&T Communications of Jamaica L.L.C., BT, BT (Netherlands) Holdings B.V., and Concert B.V. signed a Termination Agreement. Pursuant to this agreement, the global AT&T/BT joint venture will be dissolved. BT will continue to hold ownership of Concert but will increase its ownership to 100 percent. At the closing of the Termination Agreement, Concert will become a direct, wholly owned subsidiary of BTNA, an indirect, wholly owned subsidiary of BT, which is ultimately owned by BT Group. Following the dissolution of the joint venture, AT&T will no longer have an interest in Concert.

Applicants state that, at this time, Concert is not providing any telecommunications services in Virginia. Therefore, the proposed transaction should not have any adverse impact on rates and services in Virginia.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, involving the transfer of control of Concert to BT will neither impair nor

jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of control of Concert, as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.